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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 05/19/06

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, May 18

NIHON KEIZAI (Page 2) (Full)
May 19, 2006

10:37
Met Deputy Chief Cabinet Secretary Suzuki at Kantei.

13:40
Met Brazilian Ambassador to Indonesia Fujita in the presence of Justice Minister Sugiura.

14:10
Attended an Upper House Administrative Reform Special Committee meeting.

18:32
Attended an Economic and Fiscal Policy Council meeting at Kantei.

19:55
Returned to his residence.

4) Decision next month on resuming US beef imports

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NIHON KEIZAI (Page 1) (Excerpt)
May 19, 2006

The Japanese and US government held experts talks on May 18 on the issue of resuming imports of US beef. As a result of the talks, the Japanese government's doubts have just about been removed by the US government's report of its re-inspections of targeted meatpacking facilities. The outlook is for a formal decision on resumption of US beef imports, possibly in mid-June.

At the meeting, the US delegation reported on all the 35 plants that it had re-inspected. Japan repeatedly asked if there were any problems in the meat processing and method of inspection, but no problem could be ascertained similar to the case of the shipment of meat with vertical columns that causes a halt in imports in January. There will be a restart of discussions on Friday morning, the 19th, but if there are no problems, a basic agreement will be reached on the safety of US facilities.

5) US beef imports; Bilateral talks in final stretch today with final decision likely next month; Import conditions to be discussed again today

ASAHI (Page 3) (Full)
May 19, 2006

The governments of Japan and the US yesterday held an experts meeting at the Foreign Ministry to discuss the resumption of US beef imports by Japan. Participants exchanged views to work out specific conditions for lifting the embargo. The two parties agreed to extend the session until today, because there still remained some unfinished issues, though they generally shared the same view that the US safety control system has almost been readied. Tokyo will continue to coordinate views with the aim of formally deciding to resume beef trade before the end of June, when a bilateral summit is scheduled to take place.

The second beef import ban was imposed following the discovery of specified risk materials (SRM) in a US beef shipment in January. The main agenda item of the ongoing talks, which had kicked off on a two days' schedule, is how a recurrence can be prevented. Washington carried out the reinspections of 35 meat processing plants authorized to export products to Japan regarding the situation of how export manuals had been put in place and the details of employee training and conveyed the results to the Japanese side.

The two parties also exchanged views on such additional measures as Japanese government officials inspecting US meat packers prior to the resumption of imports and being present at the scene of spot checks by US inspectors after the resumption of beef trade.

Japanese government officials, such as those of the Ministry of Health, Labor, and Welfare, which is in charge of securing food hygiene, take the view that it is necessary to check more details about the US safety control system.

If the two countries can reach a final agreement on conditions for importing US beef, the Japanese government will hold town meetings throughout the nation to exchange views with consumers. It will seek their understanding, by presenting draft conditions

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for restarting beef trade. The sessions will likely take about three weeks, including the period of notification on the outline of such sessions. Once the government judges that it has obtained broad-based understanding from the public, it will formally decide to resume imports.

Following that decision, it will dispatch experts to the US for prior inspections. It will likely take a month to inspect all 35 US facilities. After completing these procedures, US beef will reach Japanese consumers in July, if all goes smoothly.

6) US beef imports: Government to explain details of talks with US to consumers to pave way for resumption of beef trade in summer

NIHON KEIZAI (Page 5) (Full)
May 19, 2006

Japanese and US beef experts discussed for two days the resumption of US beef imports by Japan. Yesterday evening they generally completed discussing agenda items. Though they will also meet today, because some details still have to be worked out, prospects have now become strong that beef trade will be reinstated in the summer.

If Tokyo and Washington reach a consensus on the resumption of US beef imports, the Japanese government will take procedures to hold town meetings with consumers to exchange views with them, which will take about two weeks. The government will explain the specifics of the experts meeting to consumers during these sessions. Once it obtains understanding, it will then formally decide on conditions for lifting the embargo.

Agriculture, Forestry, and Fisheries Minister Shoichi Nakagawa yesterday told reporters in Tokyo: "We called on the US side to investigate into the reasons for the inclusion of SRM in its beef shipment and take thorough measures to prevent a recurrence. We are now working to determine whether to resume the beef trade." Prime Minister Junichiro Koizumi also stated last evening, "Beef imports will be restarted, if conditions are met."

7) US ambassador to UN express concern about Japan's investment in Iran

ASAHI (Page 7) (Full)
May 19, 2006

Ikeda, New York

In an interview with the Asahi Shimbun at the US mission to the United Nations in New York on May 18, US Ambassador to the UN Bolton revealed that the US government has repeatedly expressed to the Japanese government its concern that Japan's development of the Azadegan oil field would only "benefit Iran." Washington is mulling economic sanctions against Iran, based on a UN Security Council, but it is also considering sanctions to be imposed by a "coalition of the willing." Bolton's remarks supposedly are intended to urge Japan to fall in step with the US.

Ambassador Bolton stated:

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"Iran is apparently trying to place India, China, Japan and other great oil consumers under its thumb on the strength of its oil and natural gas. Japanese policymakers should work out measures to diversify energy-resource suppliers, without relying overly on a single nation."

Bolton also expressed his strong apprehension about Japan's promotion of oil field development, saying:

I wonder if it is proper to invest in a country that has said it would eliminate Israel and is preparing to possess nuclear weapons. Japan must consider this point."

On the reform of the UNSC, Bolton said: "We will have to continue utmost efforts to reform other areas, such as the Secretariat, at least for several more months," indicating that an early UNSC reform would be difficult.

To a question about a successor to UN Secretary General Kofi Annan, whose term of office expires at the end of this year, Bolton replied: "The sole condition is someone from a country other than the permanent member nations." "I do not mean to say that Japan should give up its bid for a UNSC permanent seat," he said, adding;

"The role Japan has played at the UN is great. Joining the UNSC as a permanent member is an important challenge for Japan, but there are obstacles to the challenge, from a realistic point of view. Since China has declared that it will continue to use its right to refuse Japan's bid for a permanent seat, it might be worth for Japan to consider (assuming the post of chief of secretariat)."

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8) UN Secretary-General Annan: "Tensions in the region are increasing" due to prime minister's visits to Yasukuni Shrine

ASAHI (Page 4) (Full)
May 19, 2006

By Ryo Kudochi

Meeting the press yesterday in Tokyo, United Nations Secretary-General Annan mentioned the chilly relations between Japan and China and between Japan and South Korea and urged the leaders of the three nations to take action to improve their relations, saying: "The situation will not be resolved if no action is taken." Referring to Prime Minister Koizumi's visits to Yasukuni Shrine, Annan stated: "Haven't such visits, in a sense, added fuel to tensions in the region?"

Speaking of Japan-China relations, Annan commented, "Improving their ties would benefit both sides. For that, I think the leaders of the two countries need to be both tolerant and bold."

When asked about Japan's relations with South Korea, which he visited prior to his Japan tour, Annan said: "The leaders of the two countries are well aware of the importance of friendship. Both sides are well aware what has irritated the other side and what has made the other side harbor concerns. Both sides should help each other."

9) LDP lawmaker Koga suggests discussion of separate enshrinement

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of Class-A war criminals, aims to make Yasukuni a major issue in LDP presidential campaign

ASAHI (Page 4) (Excerpts)
May 19, 2006

By Kengo Sakajiri

Former Liberal Democratic Party (LDP) Secretary General Makoto Koga, chair of the Japan War-Bereaved Association, announced a set of policy proposals yesterday, having in mind the LDP presidential election set for September, and referring to Class-A war criminals enshrined at Yasukuni Shrine, Koga indicated that "separating a portion of the spirits of the war dead from the shrine will be a matter to be discussed." On the Yasukuni issue, Prime Minister Koizumi, Chief Cabinet Secretary Abe, and some other politicians are insisting that it should not be made a major issue in the presidential campaign. But Koga, by floating a proposal for separate enshrinement of Class-A war criminals, apparently aims to make history a major campaign issue in the upcoming presidential election to choose a successor to Koizumi.

Koga came up with a set of policy proposals at a policy study meeting of the LDP's Niwa-Koga faction led by Koga and lawmaker Yuya Niwa. The faction agreed to use Koga's proposals as a basis for policy proposals the faction will work out in the weeks ahead.

In his proposals, Koga described the prime minister's shrine visits as "something that has soured relations with China and raised the sense of impasse now felt from Japanese diplomacy." "Separating a portion of the spirits of those who died for other reasons but were enshrined will be one idea to be considered so that many more people, including foreigners, will be able to visit the shrine to offer condolences to the spirits of the war dead," he added.

Chief Cabinet Secretary Abe told a news conference yesterday: "I think it is a matter members of the Japan War-Bereaved Association will discuss cool-headedly." Asked if the issue should be made a campaign issue in the presidential race, Abe said: "If that happened, it would turn into a more intricately political and diplomatic issue. We should not do so." Prime Minister Koizumi, as well, told reporters about separate enshrinement: "The government is not in a position to be involved in the matter."

Yasukuni Shrine has asserted that because of religious reasons separate enshrinement is impossible. An official of the Japan War-Bereaved Association said puzzledly: "There is no need to separate certain spirits from others. I can't understand Koga's true intentions."

But in the LDP, momentum is rising to somehow settle the question of enshrinement of Class-A war criminals in order to rebuild relations with China as Koizumi is to step down.

10) Japan, China fail to close gap in talks on gas field development

YOMIURI (Page 1) (Full)
May 19, 2006

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The Japanese and Chinese governments held their 5th bureau director-level talks on the development of natural gas fields in the East China Sea in Tokyo yesterday. Both sides detailed their earlier joint-development proposals but failed to close the gap over where the joint work should take place. The two countries, though, agreed to continue talks on joint development to resolve the dispute. Next round will be held in China in June.

Both sides shared the need for measures to prevent a vessel collisions in nearby waters and to smoothly handle the situation in the event that an unexpected accident takes place. They then confirmed a commitment to construct communication and information systems.

In the talks, Japan stressed its position of not allowing China to continue developing gas fields in the oceanic area close to waters that Japan claims, renewing its call for China to stop development in the Shirakaba gas field (Chunxiao in Chinese) near the median line and to present data of geologic research results.

The median line is claimed by Japan thQQ%NSKQQ some point of compromise with the Liberation Tigers of Tamil Eelam (LTTE)."

Since this April, military attacks supposedly by LTTE, an antigovernment group, have been intensifying. The foreign minister stated: "Their uncompromising stance is the same as before, but their posture toward peace remains unchanged."

12) Gov't to present rebuttal in writing to UN on "discrimination against Okinawa" remark: Aso

RYUKYU SHIMPO (Page 3) (Full)
Eve., May 18, 2006

TOKYO-Doudou Diene, a special rapporteur appointed by the United Nations Human Rights Commission, delivered a speech on May 16 in

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the city of Naha, Okinawa Prefecture, and noted that the concentration of US military bases on the small island prefecture speaks of discrimination. In response, Foreign Minister Taro Aso rebutted Diene in a meeting of the House of Councillors Foreign and Defense Affairs Committee this morning. "It's based on geopolitical needs, not based on any discriminatory intention," Aso stated before the committee. Diene has indicated that he would present a fact-finding report to the UN Human Rights Commission. "Japan would like to present a letter of rebuttal before the commission meets," Aso said.

Aso was replying to a question asked by Masahide Ota, a member of the Social Democratic Party (SDP or Shaminto). "It's true that Okinawa is home to 75% of all US military facilities in Japan," Aso admitted. "However," Aso went on, "it's based on geopolitical needs or de facto requests, and it's clear that it's not based on any discriminatory intent." He also stated, "It's a personal view (representing Diene's own), not the United Nations' view. It's not legally binding, either."

13) Base concentration on Okinawa not discrimination; Foreign minister rebuts Diene

OKINAWA TIMES (Page 1) (Full)
Eve., May 18, 2006

TOKYO-Foreign Minister Taro Aso appearing before the House of Councillors Foreign and Defense Affairs Committee in its meeting today rebutted a United Nations special rapporteur's viewpoint that the concentration of US military bases on Okinawa is discriminatory against the residents of that prefecture. UN Special Rapporteur Doudou Diene made the claim after having visited Okinawa. Aso said. "It is clear that (the US bases being on Okinawa) is not based on any discriminatory intention," Diene has indicated that he would report his Okinawa visit to the UN Human Rights Commission in September. Aso stated that he would officially rebut Diene's viewpoint in written form. "I'd like to present a rebuttal in writing to the United Nations before the commission meets," Aso stated.

Okinawa is home to 75% of all US military facilities in Japan. "This is based on geopolitical reasons and de facto requests (from the United States)," Aso stated. With this, he explained that the US military presence on Okinawa is not any kind of discrimination.

"Mr. Diene visited Okinawa on the sidelines of a private visit to Japan," Aso stated. Asked about Diene's "discrimination" remark, Aso stressed that this was not an official United Nations statement. "I think it's his personal view, and not the United Nations' view, so it's not legally binding," Aso said.

Aso was replying to a question asked by Masahide Ota, a member of the Social Democratic Party (SDP or Shaminto).

Diene visited Okinawa on May 15-16 to view US military facilities in Okinawa Prefecture, including Camp Schwab, where the US Marine Corps' Futenma Air Station will be relocated.

14) Japan, US agree on partial return of Yomitan airfield

MAINICHI (Page 2) (Full)

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May 19, 2006

The Japanese and US governments held a meeting of their joint committee at a US military facility in Tokyo yesterday. In the meeting, the two governments agreed on the return of Yomitan airfield, a US military facility located in the village of Yomitanson, Okinawa Prefecture. The airfield covers a total area of about 191 hectares, and the United States will return about 140 hectares on the airfield's east side by the end of July this year.

The Japan-US Special Action Committee on Facilities and Areas in Okinawa (SACO) released its final report in 1996, incorporating an agreement to return the airfield by the end of fiscal 2000. However, the airfield has yet to be returned due to the US military's delay in the planned relocation of the Sobe telecom facility, contiguous to the airfield, to Camp Hansen.

The remaining 51-hectare portion is expected to be returned along with the Sobe site's reversion.

15) Special ethanol zone floated as Okinawa stimulus measure; Government to encourage use of sugarcane

ASAHI (Page 3) (Full)

May 19, 2006

As part of Okinawa stimulus measures following USFJ realignment, the government has begun looking into the possibility of an ethanol zone to promote the development and production of alcohol (bio-ethanol) made from sugarcane indigenous to Okinawa. It will call on Okinawa to apply for approval for the plan. In line with the project, the government is considering easing regulations on the sale of ethanol-gasoline fuel and instituting preferential tax measures.

Minister of Economy, Trade, and Industry Nikai on May 16 informed Prime Minister Koizumi of the plan to develop bio-ethanol mainly in Okinawa as a new energy source. The prime minister then ordered him to specifically look into the plan.

16) Poll: DPJ rebounds to 10.0%; Cabinet inches up to 44.5%

TOKYO SHIMBUN (Page 2) (Abridged)

May 19, 2006

The approval rating for the Koizumi cabinet in May was 44.5%, up 0.6 percentage point from last month, according to a Jiji Press poll released yesterday. The disapproval rating has also risen 1.6 points to 36.0%. Meanwhile, it has been a month since Ichiro Ozawa became the new president of the leading opposition Democratic Party of Japan (DPJ or Minshuto). The DPJ stood at 10.0% in public support, up 0.9 point, and the party's support rate rebounded to double digits for the first time in seven months. The survey was conducted May 11-14 on a face-to-face basis with a total of 2,000 samples aged 20 and over. The retrieval rate was 66.6%.

In the breakdown of public support for political parties, the DPJ went up for the third month in a row. The ruling Liberal Democratic Party was at 25.9%, down 1.1 points. The LDP's support rate went down for the first time in three months.

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17) Radio program conducts poll on Ozawa: 65% like him, 35% dislike him

SANKEI (Page 5) (Abridged slightly)
May 19, 2006

Nippon Broadcasting System's morning radio program hosted by Takuro Morinaga and Kakihana Tadashi conducted an opinion survey of its listeners yesterday on Minshuto (Democratic Party of Japan) President Ichiro Ozawa. The survey showed that 64.9% of the respondents said they liked Ozawa, while 35.1% said they disliked him.

Following the May 17 Koizumi-Ozawa Diet debate, the program conducted the survey between 5:00 and 7:00 a.m. yesterday. The program received a total of 114 e-mails and faxes, with 74 saying they like Ozawa and 40 indicating they dislike him. Those who said they like him cited such reasons as that "His combination of fastballs and curveballs the Diet debate was good," or "He is not a bad guy like people say," or "Of all past Minshuto heads, he has the strongest aura." Reasons for disliking him included, "He has carried bad impression since he was LDP secretary general," and "At that age, he cannot change."

18) Ruling bloc-dominated Lower House committee to approve conspiracy charge bill today; Minshuto determined to resist it

ASAHI (Page 1) (Excerpts)
May 19, 2006

The Lower House Committee on Judicial Affairs met yesterday to discuss a bill allowing law-enforcement authorities to file conspiracy charges against those who are regarded to have discussed a crime. In the session, the committee's chair Nobuteru Ishihara decided to hold a committee meeting on the afternoon of May 19 by virtue of his office. The committee intends to approve the bill today, the ruling coalition saying, "We have discussed the bill thoroughly." The ruling coalition's plan is to continue revision talks with Minshuto (Democratic Party of Japan) until noon, and if the talks fail, it intends to take up the ruling bloc's revision plan of late April to submit a newly revised bill independently. If the ruling bloc's rams the bill through the Lower House, Minshuto intends to boycott Diet deliberations on May 19 and beyond altogether.

Minshuto characterizes the bill as a major hurdle in the current Diet session during its remaining days. Following the forcible adoption May 17 of medical reform-related bills including higher medical fees for the aged by the Lower House Health, Labor and Welfare Committee, Minshuto boycott yesterday all Lower House committee meetings to discuss the timetable. But the largest opposition party took the strategy of not boycotting the plenary session and presenting engagements opposing the bill.

19) Council on Economic and Fiscal Policy sets targets for 2010, including reducing part-time workers by 20% and increasing Haneda Airports' carrying capacity by 40%

NIHON KEIZAI (Page 5) (Full)
May 19, 2006

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The government's Council on Economic and Fiscal Policy compiled yesterday global strategy aimed at increasing Japan's international competitiveness. The strategy set numerical targets in four areas -- human resources, industries, local areas, and international contributions -- such as reducing young part-time workers by 20% and increasing Haneda Airport's carrying capacity by 40% by 2010. The report also calls for active acceptance of highly skilled foreign workers, such as researchers.

After consulting with the ruling coalition, the government plans to reflect the strategy in the 2006 "big-boned" economic and fiscal management policy guidelines" to be produced in June. The strategy lists a number of challenges required for Japan to demonstrate international leadership in the backdrop of rising China and India, saying they will help the country maintain the competitive edge.

The report also mentions specific ways to improve the environment to accept more foreign workers, such as extending the duration of stay from the current three years to five years and expanding the scope of family members' stay in Japan, now limited to children and spouses, to include parents. Additionally, the strategy calls for the flexible acceptance of foreign caretakers for the aged.

Major challenges shown by the global strategy

AreaItems that need to meet targets by 2010

Numerical targets

Human resources

Young free-time workers

Decrease the number by 20% from 2.13 million recorded in 2004.

700 points or over in TOEIC

Double the number of 140,000 recorded in 2004.

Industries

Investment in Japan to GDP

Increase the level to about 5%.

Exports of agricultural, forestry, and fishery products and foods
(2009)

Double the volume to 600 billion yen.

Local areas

Number of foreign visitors

Increase the number to 10 million from 2005's 6.73 million.

Railroad access to Narita Airport from central Tokyo

Reduce the time by 20 minutes to 30 minutes.

International contributions

Oil dependence (by 2030)

Reduce dependence to 40%.

Number of people learning Japanese language abroad

Increase the number to 3 million from 2.36 in 2003.

SCHIEFFER